



FISCAL MEMORANDUM

SB 266 - HB 314

February 6, 2023

SUMMARY OF BILL AS AMENDED (003567): Removes a notification process requirement for healthcare facilities prior to allowing a health insurance company to deny an assignment of benefits made to an out-of-network facility-based physician. Removes a prohibition on healthcare facilities collecting out-of-network charges from an insured, or the insurer on behalf of the insured, in excess of the cost sharing amount required in accordance with the insured's health benefits coverage for the items and services, unless certain notification requirements are met.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Under current law, if an insured patient assigns their benefits to an out-of-network facility-based physician, the healthcare facility must provide proper written notice to the insured that the physician may not participate in the patient's insurance network and the patient may be at risk of higher out-of-network charges. If the proper written notice is not given then the insurer may disregard the assignment of benefits.
- According to information provided by the Division of Benefits Administration (Division), the federal *No Surprises Act* contains similar notification requirements and protections for consumers from surprise billing.
- Removing the notification process requirement for healthcare facilities is not estimated to have an impact on plans offered by the Division.
- According to the Bureau of TennCare, this legislation is estimated to have no significant impact on Medicaid plans administered through the Bureau.
- The proposed legislation will not have a significant impact on the policies or procedures of the Department of Commerce and Insurance.

IMPACT TO COMMERCE OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed legislation is not estimated to have a significant impact on insurance premiums or revenue to facility-based physicians in this state.
- Any impact to commerce or jobs in this state is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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